

**EXHIBIT "C" APPENDIX 1
EXAMPLE ADOPTION AGREEMENT**

This document is an example of the Adoption Agreement that will be executed at the time of Subcontract award. The Adoption Agreement is to be consistent with approved Pay and Benefit Plans (Appendix 2), and is to reflect the specific plans and programs being adopted by the Subcontractor.

Adoption Agreement
By The
Board of Directors

SUBCONTRACTOR

January 3, 2000

WHEREAS:

- A. Bechtel Jacobs Company LLC ("CONTRACTOR") maintains the following employee benefit plans and programs ("Benefit Plans"):
- Bechtel Jacobs Company LLC Pension Plan for Grandfathered Employees and Associated Trust
 - Bechtel Jacobs Company LLC Management and Integration (M&I) 401(k) Plan and Associated Trust
 - Health and Welfare Benefit Plan for Employees of Bechtel Jacobs Company LLC and Subcontractors and Associated Trust
 - Retiree Medical Benefit Plan for Employees of Bechtel Jacobs Company and Subcontractors and Associated Trust
 - Bechtel Jacobs Company LLC Severance Plan for Grandfathered Employees
 - Bechtel Jacobs Company LLC Equalization Retirement Income Plan for Grandfathered Employees
 - Bechtel Jacobs Company LLC Supplemental Retirement Income Plan for Grandfathered Employees
- B. The Benefit Plans provide that certain eligible employees who work for the CONTRACTOR or for a first-tier or second-tier Subcontractor of the CONTRACTOR, within the meaning of the U.S. Department of Energy Contract DE-AC05-98OR22700, as that contract may be amended from time to time ("DOE Contract") are eligible to participate in the Benefit Plans.
- C. SUBCONTRACTOR is a first-tier or second-tier Subcontractor of the CONTRACTOR, within the meaning of the DOE Contract.
- D. CONTRACTOR has made available to SUBCONTRACTOR a prototype Section 125 Plan document which is substantially similar to the Bechtel Jacobs Company LLC Section 125 Plan Document, and which includes Health Care and Dependent Care Flexible Spending Accounts, and which permits eligible employees to pay for certain welfare benefits on a pre-tax basis.
- E. CONTRACTOR has made available to SUBCONTRACTOR the following agreements pursuant to which Benefit Plans are provided to certain employees providing services pursuant to the DOE Contract.

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AGREEMENTS:

Labor Contract Between Lockheed Martin Energy Systems, Inc., Oak Ridge Y-12 Plant, Oak Ridge, Tennessee and Atomic Trades and Labor Council A.F.L.-C.I.O. and Its Affiliated Unions including Local No. 480 of The I.A.M. Oak Ridge, Tennessee, June 25, 1993 – June 22, 2001, as amended by Bechtel Jacobs Company LLC.

Labor Contract Between Lockheed Martin Energy Systems, Inc., Oak Ridge, Tennessee K-25 Site and Paper, Allied-Industrial, Chemical and Energy Workers Intl. Union (PACE) and Its Local 5-288, July 22, 1997 – October 14, 2001, as amended by Bechtel Jacobs Company LLC.

Labor Contract Between Lockheed Martin Energy Research Corporation, Oak Ridge National Laboratory, Oak Ridge, Tennessee and Atomic Trades and Labor Council, A.F.L.-C.I.O., June 25, 1993 – June 22, 2001, as amended by Bechtel Jacobs Company LLC.

Labor Contract Between Lockheed Martin Utility Services, Inc., Paducah Gaseous Diffusion Plant and Paper, Allied-Industrial, Chemical and Energy Workers Intl. Union (PACE) and Its Local 5-550, July 31, 1996 – July 31, 2001.

Labor Contract Between Lockheed Martin Utility Services, Inc., Portsmouth Gaseous Diffusion Plant and Paper, Allied-Industrial, Chemical and Energy Workers Intl. Union (PACE) and Its Local 3-689, Effective 12:00 A.M. - April 1, 1996, Expiration 12:01 A.M. - May 2, 2000.

- F. SUBCONTRACTOR desires to adopt the Benefit Plans, as those plans may be amended from time to time, on behalf of SUBCONTRACTOR'S employees who are eligible to participate in those plans.
- G. SUBCONTRACTOR desires to provide benefits to its employees who are providing services pursuant to the DOE Contract that are substantially similar, in the aggregate, to the benefits provided to similarly situated employees of the CONTRACTOR who are providing services pursuant to the DOE Contract.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. Effective _____, SUBCONTRACTOR hereby adopts, and shall become a participating company in, the Benefit Plans and other plans as specified in the attached Pay and Benefits Analysis Plan, Exhibit "H", Appendix 2, as approved by the CONTRACTOR or its delegate to the extent that SUBCONTRACTOR'S employees are eligible to participate in those plans.
- 2. SUBCONTRACTOR shall execute all documents necessary to establish a 401(k) plan that will be a clone of the Bechtel Jacobs Company LLC Management and Integration 401(k) Plan. Such documents consist of an adoption agreement with pre-selected options and a basic plan document containing standard retirement plan provisions.
- 3. SUBCONTRACTOR irrevocably appoints the CONTRACTOR, or the CONTRACTOR'S delegate, as its agent for purposes of all dealings related to the benefits committees for the Benefit Plans, for all dealings related to the investment managers for the Benefit Plans, for all union negotiations related to the Benefit Plans, and for all dealings related to the trustees for the Benefit Plans, as well as for purposes of making plan administration decisions, and for purposes of amending, terminating, determining the amount that each participating company shall contribute to, and/or merging any Benefit Plan.

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4. SUBCONTRACTOR specifically authorizes the CONTRACTOR, the benefits committee, or a delegate of either of them to enter into trust agreements and investment management agreements on its behalf with regard to the Benefit Plans including, but not limited to, trust agreements with Mellon Trust/Boston Safe Deposit and Trust Company, J. P. Morgan/American Century, United Missouri Bank, and SunTrust Bank.
5. SUBCONTRACTOR acknowledges that the CONTRACTOR has the right to prospectively terminate SUBCONTRACTOR'S participation in one or more Benefit Plans (as amended from time to time) by a signed writing delivered to SUBCONTRACTOR or its delegate.
6. SUBCONTRACTOR acknowledges that its participation in the Benefit Plans will convert the Bechtel Jacobs Company LLC Pension Plan for Grandfathered Employees into multiple-employer or multiemployer plans, which are subject to special administrative and withdrawal liability provisions under Internal Revenue Code Section 413 and Title IV of the Employee Retirement Income Security Act, and to special reporting and nondiscrimination testing requirements. For example, failure of SUBCONTRACTOR to satisfy certain non-discrimination tests would impact negatively on the CONTRACTOR and on other first-tier and second-tier Subcontractors participating in such a Benefit Plan.
7. SUBCONTRACTOR agrees to cooperate with CONTRACTOR in satisfying all legal and administrative requirements with which the CONTRACTOR or the benefits committee has determined the Benefit Plans need to comply, including but not limited to, the requirements of Internal Revenue Code Section 413. This cooperation includes, but is not limited to, timely forwarding of information required by the CONTRACTOR as part of its submission of certain Benefit Plans to the Internal Revenue Service and to other governmental and administrative agencies for determinations regarding their qualified status and other actions as required by the CONTRACTOR. For example, the SUBCONTRACTOR agrees to provide to the CONTRACTOR or its delegate in a timely manner:
 - Pension Plan eligible earnings for Grandfathered employees, report on a monthly basis;
 - All required data to complete filing of IRS Reports (i.e. IRS Forms 5500 with Attachments, IRS Forms 5300, 5303, and 5307 with Attachments);
 - Information necessary to perform coverage and nondiscrimination testing on an annual or more frequent basis as determined by the CONTRACTOR (i.e. Testing pursuant to Code Section 410(b), 401(a), 401(a)(26) and 416 with respect to the MEPP);
 - All required data to satisfy the special administrative and withdrawal liability provisions under IRC Section 413 and Title IV of the Employee Retirement Income Security Act;
 - Any and all other data that is required by governmental and administrative agencies for determinations regarding qualified status and other actions as required by the CONTRACTOR.
8. SUBCONTRACTOR acknowledges that an election to participate in the multiemployer or the multiple employer welfare arrangement ("MEWA") established by the CONTRACTOR to provide welfare benefits, constitutes an election by the SUBCONTRACTOR to provide Benefit Accounting information in the format specified by the CONTRACTOR in Exhibit C Appendix 2, Section A.
9. SUBCONTRACTOR acknowledges that its participation in the Benefit Plans could impact the ability of SUBCONTRACTOR'S other benefit plans to satisfy certain requirements, including, but not limited to, the nondiscrimination testing requirements applicable to pension and 401(k) plans maintained by the SUBCONTRACTOR for employees who are not performing services under the DOE Contract.
10. SUBCONTRACTOR hereby establishes a Section 125 Plan that is substantially similar to the Section 125 Plan referred to in Item D above.

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11. SUBCONTRACTOR hereby authorizes an officer of SUBCONTRACTOR to execute the adoption agreement that is part of the prototype plan made available by CONTRACTOR in order to establish a 401(k) plan that is a clone of the Bechtel Jacobs Company Management & Integration 401(k) Plan.
12. SUBCONTRACTOR agrees to indemnify and hold harmless the CONTRACTOR, the CONTRACTOR'S employees, officers and members of the CONTRACTOR'S Board of Control, and the benefits committees that administer the Benefit Plans, from and against any and all liabilities, claims, costs and expenses, including attorney's fees, arising out of an alleged breach of duties related to any Benefit Plans, other than such liabilities, claims, costs and expenses as may result from the gross negligence or willful misconduct of such persons. This indemnification shall survive the termination of the Subcontract pursuant to which the SUBCONTRACTOR is performing services covered by the DOE Contract.

The officers of SUBCONTRACTOR and their delegates are authorized and directed to take such actions as they deem necessary or appropriate to effectuate the intent of the above resolutions and any such actions already taken are hereby ratified and confirmed.

_____	Date: _____
_____	Date: _____
_____	Date: _____
_____	Date: _____